

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-21-03
AUTHORITY TO IMPLEMENT FIXED COST)
ADJUSTMENT ("FCA") RATES FOR)
ELECTRIC SERVICE FROM JUNE 1,)
2021, THROUGH MAY 31, 2022.)
_____)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

PAWEL P. GORALSKI

1 Q. Please state your name, business address, and
2 present position with Idaho Power Company ("Idaho Power" or
3 "Company").

4 A. My name is Pawel P. Goralski and my business
5 address is 1221 West Idaho Street, Boise, Idaho 83702. I
6 am employed by Idaho Power as a Regulatory Consultant in
7 the Regulatory Affairs department.

8 Q. Please describe your educational background.

9 A. In May of 2007, I received a Bachelor of
10 Business Administration degree in Finance from Boise State
11 University in Boise, Idaho. I have also attended "The
12 Basics: Practical Regulatory Training for the Electric
13 Industry," an electric utility ratemaking course offered
14 through the New Mexico State University's Center for Public
15 Utilities, "Electric Utility Fundamentals and Insights," an
16 electric utility course offered by Western Energy
17 Institute, and "Electric Rates Advanced Course," an
18 electric utility ratemaking course offered through Edison
19 Electric Institute.

20 Q. Please describe your work experience with
21 Idaho Power.

22 A. In 2017, I was hired as a Regulatory Analyst
23 in the Company's Regulatory Affairs Department, and in 2020
24 I was promoted to my current position of Regulatory
25 Consultant. My primary responsibilities include supporting

1 the Company's class cost-of-service activities, supporting
2 activities associated with demand-side management ("DSM"),
3 and I have been the Company's witness supporting its annual
4 Fixed Cost Adjustment ("FCA") calculation and corresponding
5 rates.

6 Q. What is the purpose of your testimony?

7 A. The purpose of my testimony is to describe the
8 Company's request to implement its annual FCA rates in
9 conformance with Idaho Public Utilities Commission
10 ("Commission") Order No. 32505 (Case No. IPC-E-11-19),
11 which approved the FCA as a permanent rate mechanism for
12 the Residential and Small General Service customers. The
13 Company is seeking authority to collect the 2020 FCA
14 deferral balance of \$38,315,499 through its proposed 2021-
15 2022 FCA rates, which is an increase of \$2,816,643 from the
16 current FCA deferral balance of \$35,498,856. This
17 represents a 0.38 percent increase over current authorized
18 billed revenue for the Residential and Small General
19 Service classes.

20 Q. How is your testimony organized?

21 A. My testimony will discuss four areas related
22 to the FCA mechanism and Schedule 54, Fixed Cost
23 Adjustment. First, I will discuss the need for the FCA
24 mechanism itself, and second, how the Company engaged with
25 Commission Staff ("Staff") to address concerns raised in

1 the 2019 FCA filing.¹ Third, I will summarize the FCA
2 mechanism itself and how it is determined, including
3 determination of the 2020 FCA amount. Lastly, I will
4 discuss the calculation of the FCA rates the Company is
5 proposing to be effective June 1, 2021, through May 31,
6 2022.

7 **I. BENEFIT OF FIXED COST ADJUSTMENT MECHANISM**

8 Q. Why is the FCA mechanism necessary?

9 A. The existing two-part rate design for
10 Residential and Small General Service customers collects a
11 significant portion of the class's fixed costs through the
12 volumetric energy rate. The FCA is a true-up mechanism
13 that "decouples," or separates, billed energy sales from
14 revenue in order to remove the financial disincentive that
15 exists when the Company invests in DSM resources and
16 activities. Under the FCA, rates for Residential Service
17 (Schedules 1, 3, 4, 5, and 6) and Small General Service
18 (Schedule 7 and 8) customers are adjusted annually to
19 recover or refund the difference between the level of fixed
20 cost recovery authorized by the Commission in the Company's
21 most recent general rate case and the level of fixed cost
22 recovery that the Company received based upon the actual

¹ *In the Matter of the Application of Idaho Power Company for Authority to Implement Fixed Cost Adjustment ("FCA") Rates for Electric Service from June 1, 2020, through May 31, 2021, Case No. IPC-E-20-14, filed March 13, 2020.*

1 billed energy sales during the previous calendar year.

2 Q. Is the FCA mechanism effective?

3 A. Yes. The existence of the FCA has limited the
4 financial disincentive that would otherwise exist for the
5 Company to invest in DSM resources and energy efficiency
6 activities for the Residential and Small General Service
7 classes. The mechanism has produced the intended result --
8 on a cumulative basis since the Company's 2011 general rate
9 case (2012 through 2020), Idaho Power has achieved claimed
10 Idaho Residential energy efficiency savings totaling
11 approximately 430,000 megawatt-hours ("MWh"). That energy
12 savings achievement demonstrates Idaho Power's ongoing
13 commitment to energy efficiency over this time period, an
14 expectation of the Commission when it approved the FCA as a
15 permanent mechanism in 2012.²

16 Q. What level of incremental annual energy
17 efficiency savings was achieved in 2020?

18 A. Idaho Power achieved 196,809 megawatt-hours
19 ("MWh") of savings system-wide, the second-highest savings
20 achievement since the implementation of the Energy

21

² *In the Matter of the Application of Idaho Power Company for Authority to Convert Schedule 54 - Fixed Cost Adjustment - from a Pilot Schedule to an Ongoing Permanent Schedule*, Case No. IPC-E-11-19, Order No. 32505 (March 20, 2012).

1 Efficiency Rider in 2002.³ This accomplishment was
2 significant, in light of DSM program modifications that
3 were necessary to prioritize customer, vendor, and employee
4 safety during the COVID-19 pandemic. The energy savings
5 claimed are enough energy to power approximately 17,000
6 average homes a year in Idaho Power's service area.

7 Q. Do claimed DSM savings encompass the entirety
8 of energy savings occurring from Idaho Power's DSM efforts?

9 A. No. The Company promotes significant customer
10 educational, outreach and awareness activities, promotion
11 of codes and standards, and marketing efforts that are not
12 quantified or claimed as part of Idaho Power's annual DSM
13 savings, but are likely to result in energy savings
14 experienced by the customer and accruing to Idaho Power's
15 electric system over time.

16 Q. Did the Commission recognize the potential for
17 unclaimed savings when the FCA was implemented?

18 A. Yes. In the Settlement Stipulation approved
19 by the Commission to establish the FCA,⁴ Idaho Power made
20 specific commitments in regard to supporting building code
21 improvements and enforcement of such standards, including

³ This value includes 180,818 MWh from Idaho Power-managed programs and an estimated 15,991 MWh of energy efficiency market transformation savings through Northwest Energy Efficiency Alliance ("NEEA").

⁴ *In the Matter of the Investigation of Financial Disincentives to Investment in Energy Efficiency by Idaho Power Company*, Case No. IPC-E-04-15, Order No. 30267.

1 promotion of Idaho new commercial and residential
2 construction and appliance standards, energy code training,
3 and advocacy of enforcement of energy codes. Improved
4 building codes, construction and appliance standards,
5 energy code training and advocacy result in savings that
6 are not quantified or claimed by the Company.

7 Q. What are some examples of the Company's 2020
8 DSM activity for which savings are not quantified?

9 A. The Company's Fall/Winter and Spring/Summer
10 Energy Efficiency Guides provide season-specific energy
11 efficiency tips such as sealing air leaks in homes, caring
12 for HVAC systems, adding insulation to the attic, replacing
13 furnace filters, using smaller appliances such as a
14 microwave instead of an oven, and information such as an
15 efficiency checklist for home buyers, weatherization
16 recommendations by home age, and a chart of energy savings
17 by upgrade cost for a variety of efficiency measures.
18 Figure 1 below included in the Spring/Summer 2020 Energy
19 Efficiency Guide highlights Idaho Power's promotion of low
20 or no-cost behavioral changes or measure recommendations.
21 Promotion of these activities results in energy savings to
22 customers, but generally these activities are not incented
23 through the Company's energy efficiency portfolio, which
24 means savings are not claimed through the Company's DSM
25 programs.

1 **Figure 1 - Pyramid of Savings - Idaho Power Spring/Summer**
 2 **2020 Energy Efficiency Guide**



3
 4 Idaho Power also frequently promotes energy
 5 efficiency tips through social media, with approximately 18
 6 percent of total 2020 social media content focused on
 7 encouraging energy efficient behavior, program enrollment,
 8 and customer engagement. In 2020, social media messaging
 9 was modified to focus on sharing energy efficiency tips for

1 customers spending more time at home, and how businesses
2 could save energy while operating with fewer employees,
3 reduced hours, or being closed altogether.

4 Idaho Power's marketing, education, and outreach
5 efforts are more thoroughly detailed throughout the 2020
6 DSM Annual Report, filed on March 15, 2021, in Case No.
7 IPC-E-21-04.

8 Q. Has the FCA mechanism been effective at
9 removing the financial disincentive that would otherwise be
10 associated with Idaho Power pursuing all cost-effective
11 energy efficiency?

12 A. Yes. The FCA has been and continues to be an
13 effective mechanism that has positioned the Company to
14 continue to grow energy efficiency resources while
15 maintaining a reasonable opportunity to recover its fixed
16 cost of serving residential and small commercial customers.

17 **II. STAKEHOLDER ENGAGEMENT IN 2021**

18 Q. Did the Company meet with Staff in advance of
19 this filing?

20 A. Yes. As encouraged by the Commission, "in an
21 effort to collaborate and develop possible rate designs
22 that provide for the opportunity to recover Idaho Power's
23 fixed costs,"⁵ the Company met with Staff on January 21,
24 2021, and again on March 1, 2021.

⁵Case No. IPC-E-20-14, Order No. 34685, p. 2 (PDF p. 8).

1 Q. Generally, what was the scope of those
2 discussions?

3 A. The Company and Staff discussed Staff's
4 concerns with the FCA, as raised by Staff in previous
5 filings, and the Company's position on each of the issues.

6 The Company and Staff also discussed developing
7 additional analysis that could be performed to better
8 understand and quantify the impact of rate design changes
9 on the FCA.

10 Q. Is the Company proposing any modifications to
11 the FCA mechanism in this case?

12 A. No. The Company believes modifications to the
13 FCA should not be considered in isolation, but rather in
14 coordination with an evaluation of rate design changes and
15 the impact that would have on customer bills, fixed cost
16 recovery, and the FCA. Rate design changes have
17 traditionally been addressed in a general rate case, which
18 is the appropriate venue to reset the Residential and Small
19 General Service Fixed Cost per Customer ("FCC") and Fixed
20 Cost per Energy ("FCE"), allowing for changes in
21 consumption patterns for all customer classes to be
22 reflected through the Company's cost-of-service analysis.
23 The FCA components, like all rates, are set at a point-in-
24 time and the Company continues to believe the structure of
25 the mechanism and the components of it are most

1 appropriately considered holistically when all rates are
2 reviewed. A rate case also provides opportunities to
3 address fixed cost recovery through rate design changes,
4 which likely reduce reliance on the FCA mechanism. As
5 stated previously, the FCA is necessary because the
6 existing two-part rate design for Residential and Small
7 General Service customers collects a significant portion of
8 the class's fixed costs through the volumetric energy
9 rates. Idaho Power believes that modifications to the FCA
10 should be considered in coordination with an evaluation of
11 rate design changes.

12 Q. Does the Company have near-term plans to
13 evaluate the impact of modifying rate design on the FCA?

14 A. Yes. At the March 1, 2021 meeting, the
15 Company and Staff discussed a potential scope for further
16 studies that could be completed and presented to Staff,
17 other interested parties, and ultimately submitted to the
18 Commission. The Company proposes leveraging the Fixed Cost
19 Report accepted by the Commission in Case No. IPC-E-18-16
20 and conducting further studies to understand the impacts of
21 modifying rate design on the Company's FCA mechanism. The
22 Company is committed to developing a strawman scope that
23 could be shared with Staff for their input in advance of
24 the Company performing additional analyses.

1 Q. Does the Company believe its proposed plan to
2 complete additional studies related to fixed cost recovery
3 is consistent with the Commission's directive from Order
4 No. 34685?

5 A. Yes. In its order, the Commission agreed with
6 the Company's Reply Comments that "thoughtfully implemented
7 rate design" could reduce the Company's reliance on a
8 mechanism like the FCA and believes such rate design could
9 alleviate the Commission's concerns about the FCA's
10 limitations.⁶ The Commission went on to state:

11 Based on the foregoing, the Commission
12 encourages the Company, Staff and any other
13 interested persons to expand prior efforts to
14 collaborate and develop possible rate designs
15 that provide the opportunity for the Company
16 to recover its fixed costs arising from the
17 provision of electric service to its
18 customers, while ensuring only just and
19 reasonable rates are being charged to
20 customers. The Commission looks forward to
21 reviewing such rate design proposals.

22
23 The Company believes that collaborating with Staff
24 and interested parties to develop additional studies is
25 consistent with the Commission's directive.

26 **III. FCA DETERMINATION FOR CALENDAR YEAR 2020**

27 Q. Please describe the FCA mechanism components
28 and calculation.

⁶ Order No. 34685, p. 2 (PDF p. 7).

1 A. For both the Residential and Small General
2 Service classes, the FCA mechanism is the same. The
3 formula used to determine the FCA amount is:

$$4 \quad \text{FCA} = (\text{CUST} \times \text{FCC}) - (\text{ACTUAL} \times \text{FCE})$$

5 Where:

6 FCA = Fixed Cost Adjustment;

7 CUST = Average Number of Customers, by class;

8 FCC = Fixed Cost per Customer rate, by class;

9 ACTUAL = Actual Billed kilowatt-hours ("kWh")
10 Energy Sales, by class; and

11 FCE = Fixed Cost per Energy rate, by class.

12 The FCA amount is the difference between the Company's
13 level of "authorized fixed cost recovery" (CUST X FCC) and
14 the level of "actual fixed cost recovery" (ACTUAL X FCE).

15 Q. Can the FCA deferral balance be either
16 positive or negative?

17 A. Yes. A positive FCA indicates the Company's
18 authorized level of fixed cost recovery is greater than the
19 level of fixed costs recovered through the energy rate,
20 which occurs when energy use per customer has decreased
21 from when the FCA components were established. In a
22 similar fashion, a negative FCA indicates the Company's
23 authorized fixed cost recovery amount is less than the
24 fixed costs determined to have been recovered through the
25 energy rate and results in a refund to customers.

1 Q. Did the FCC and FCE rates used to determine
2 the 2020 FCA deferral balance change from prior years?

3 A. No. The FCC and FCE rates were established in
4 the Company's most recent general rate case, Case No. IPC-
5 E-11-08, and can be found in the Company's tariff under
6 Schedule 54, Fixed Cost Adjustment.

7 Q. How is the authorized level of fixed cost
8 recovery derived?

9 A. The authorized level of fixed cost recovery is
10 the product of the FCC and the average number of customers,
11 by class. The Company uses a prorated customer count based
12 on the number of active utility service agreements at the
13 end of each month. This approach applies the same
14 methodology that was used to determine customer counts in
15 the Company's most recent general rate case. The annual
16 average customer count is derived by calculating the
17 average of the 12 monthly prorated customer counts.

18 Q. How is the actual level of fixed cost recovery
19 determined?

20 A. In compliance with Order No. 33295, the actual
21 level of fixed cost recovery is the product of the FCE and
22 the actual billed energy sales for the calendar year,
23 measured in kWh.

24 Q. Does the Company compute a monthly FCA
25 deferral balance?

1 A. Yes. Since 2009, the Company has reported the
2 estimated monthly FCA deferral balance in the monthly FCA
3 Report provided to the Commission. Exhibit No. 1 is a copy
4 of the monthly FCA Report for calendar year 2020 with year-
5 end information.

6 Although the FCA is an annual mechanism that is
7 ultimately calculated and determined using customer counts
8 and billed energy sales data for the entire calendar year,
9 a monthly FCA deferral balance is estimated and recorded in
10 the Company's accounting records to maintain compliance
11 with Generally Accepted Accounting Principles. This
12 estimated monthly FCA deferral balance is provided to the
13 Commission in the monthly FCA Report.

14 Q. Is it possible for the reported monthly FCA
15 deferral balance estimate to differ from the annual amount?

16 A. Yes. Because the monthly FCA deferral balance
17 is computed using monthly customer counts while the annual
18 FCA deferral balance is computed using the average customer
19 count for the year, the sum of the monthly calculations may
20 differ from the annual calculation.

21 Q. How is the reported monthly estimate adjusted
22 to align with the authorized annual amount?

23 A. At year-end, once the annual FCA amount is
24 determined, an adjustment is made to the sum of the
25 previously recorded 12 monthly estimates to align with the

1 annual FCA deferral balance. Because the annual customer
2 count is the average of the 12 monthly customer counts, it
3 is not available until year-end.

4 Q. What adjustment was made to the 2020 monthly
5 estimates to translate to the Company's single year-end
6 2020 FCA deferral balance?

7 A. To align with the annual FCA amount to be
8 recorded in the Company's 2020 financial records, an upward
9 adjustment of \$164,462 was made for the Residential
10 customer classes, reflected on line 6, column O of Exhibit
11 No. 1. An upward adjustment of \$3,463 was made for the
12 Small General Service customer classes, reflected on line
13 20, column O of Exhibit No. 1. The total upward adjustment
14 for both customer classes is \$167,925.

15 Q. What is the total amount of the FCA, not
16 including interest?

17 A. The total amount of the FCA for the
18 Residential and Small General Service customer classes, not
19 including interest, is \$37,721,898. Exhibit No. 2 shows
20 the calculation of the FCA. The calculation of the FCA
21 uses the average annual customer count and the annual
22 billed sales amount, which are included in Exhibit No. 3.
23 The calculated FCA deferral balance for the Residential
24 customer classes, not including interest, is \$36,135,835.
25 An amount of \$36,135,836 is found in Exhibit No. 1, line 6,

1 column P. The \$1 difference between Exhibit No. 1 and
2 Exhibit No. 2 is due to rounding.

3 The calculated FCA deferral balance for the Small
4 General Service customer classes, not including interest,
5 is \$1,586,063. This amount is also found in Exhibit No. 1,
6 line 20, column P.

7 Q. What is the total amount of the 2020 FCA,
8 including interest, the Company is requesting to implement
9 in rates on June 1, 2021?

10 A. The total amount of the 2020 FCA the Company
11 is requesting to begin recovering in rates on June 1, 2021,
12 is \$38,315,498.92, reflected on line 32, column W, of
13 Exhibit No. 4. The FCA for the Residential classes is
14 \$36,706,199.78 reflected on line 15, column W, of Exhibit
15 No. 4. The FCA for the Small General Service classes is
16 \$1,609,299.14 reflected on line 29, column W, of Exhibit
17 No. 4. Exhibit No. 4 and Exhibit No. 1 both contain the
18 same information as the FCA Report sent to the Commission
19 each month; however, Exhibit No. 4 calculates interest from
20 January 2020 through May 2021 while Exhibit No. 1 shows
21 that information only for the 2020 calendar year.

22 Q. What is the significance of these numbers with
23 respect to the Company's recovery of its fixed costs?

24 A. Because the Residential and Small General
25 Service FCAs are positive numbers, the average use per

1 customer based on actual billed sales for the year were
2 lower than the level established in the Company's most
3 recent general rate case for both Residential and Small
4 General Service customer classes. In accordance with the
5 approved mechanism, the Residential and Small General
6 Service classes will receive a rate adjustment to allow for
7 recovery of the fixed costs that were not recovered through
8 actual billed energy charges during the year.

9 **IV. CALCULATION OF THE 2021-2022 FCA RATE**

10 Q. Please describe the calculation of the FCA
11 rates the Company is proposing to go into effect on June 1,
12 2021.

13 A. The FCA rates the Company proposes to go into
14 effect on June 1, 2021, were calculated by taking the FCA
15 deferral balances for each of the customer classes
16 described above and dividing by the respective class energy
17 sales forecast for the June 1, 2021, through May 31, 2022,
18 time frame ("Test Year"). The forecasted June 1 through
19 May 31 time frame is the same period that has been used
20 historically and is also used for the Power Cost Adjustment
21 mechanism.

22 Q. What has the Company determined the forecast
23 energy sales to be for both the Residential and Small
24 General Service classes?

1 A. The Company's forecasted energy sales are
2 5,294,175,386 kWh for the Residential classes and
3 136,816,220 kWh for the Small General Service classes. The
4 forecasted energy sales are found in Exhibit No. 5.

5 Q. What are the corresponding FCA rates for the
6 Residential and Small General Service classes based on a
7 combined and equal FCA rate change, as defined in the
8 approved mechanism?

9 A. To recover the authorized level of fixed
10 costs, the FCA rate for the Residential classes would be
11 0.7008 cents per kWh and the corresponding rate for the
12 Small General Service classes would be 0.8864 cents per
13 kWh. The calculation of these rates is also found in
14 Exhibit No. 5.

15 In Order No. 32505, the Commission ordered that the
16 FCA deferral balance will continue to be recovered or
17 refunded equally between the Residential and Small General
18 Service customer classes. Order No. 32505 at 9. Because
19 the Residential and Small General Service classes reduced
20 their energy consumption per customer such that the Company
21 under-collected its authorized level of fixed costs as
22 established in Case No. IPC-E-11-08, each class requires a
23 rate surcharge.

1 Q. What is the difference between the FCA
2 deferral balance currently in amortization and the proposed
3 FCA deferral balance to be collected through the FCA rate?

4 A. In this filing, the Company is proposing to
5 collect rates based on an FCA deferral balance of
6 \$38,315,498.92 which is \$2,816,643 more than the current
7 FCA deferral balance of \$35,498,856. The current deferral
8 balance was approved in Order No. 34685, issued in Case No.
9 IPC-E-20-14, with rates based on that balance effective for
10 the period June 1, 2020, through May 31, 2021.

11 Q. Including the current FCA rates in effect,
12 what is the percentage change in billed revenue as measured
13 from total billed amounts currently recovered from
14 Residential and Small General Service classes?

15 A. The Company proposes to collect the resulting
16 increase of \$2,816,643 in the FCA rates effective June 1,
17 2021, through May 31, 2022. This would represent an annual
18 increase of 0.38 percent from current billed revenue for
19 the affected customer classes. The percentage change in
20 billed revenue is found in Exhibit No. 6. This proposed
21 increase results in an approximate \$0.37 increase to the
22 monthly bill of a typical residential customer using 950
23 kWh per month.

1 Q. How will the Company incorporate the FCA
2 surcharges for the Residential and Small General Service
3 classes on customers' bills?

4 A. The Company proposes to continue including the
5 FCA with the Fixed Cost Adjustment line item on Residential
6 and Small General Service customers' bills.

7 **V. CONCLUSION**

8 Q. Has Idaho Power met the Commission's directive
9 from the 2019 FCA filing?

10 A. Yes. As encouraged by the Commission in the
11 2019 FCA filing, Idaho Power met with Staff in early 2021
12 to discuss Staff's FCA concerns and development of
13 additional analysis that could be performed to better
14 understand and quantify the impact of rate design changes
15 to the FCA. The Company believes its proposed plan to
16 complete additional analysis is consistent with the
17 Commission's directive to expand prior efforts to
18 collaborate and develop possible rate designs that provide
19 for fixed cost recovery.

20 Q. Please summarize the Company's request in this
21 filing.

22 A. Idaho Power requests the Commission authorize
23 the Company to implement Fixed Cost Adjustment rates for
24 electric service from June 1, 2021, through May 31, 2022 in
25 the amount of 0.7008 cents per kWh for the Residential

1 classes, and 0.8864 cents per kWh for the Small General
2 Service classes.

3 Q. Does this complete your testimony?

4 A. Yes, it does.

5

6

1 **ATTESTATION OF TESTIMONY**

2
3
4 STATE OF IDAHO }
5 } ss.
6 County of Ada }

7
8
9 I, Pawel P. Goralski, having been duly sworn to
10 testify truthfully, and based upon my personal knowledge,
11 state the following:

12 I am employed by Idaho Power Company as a Regulatory
13 Consultant and am competent to be a witness in this
14 proceeding.

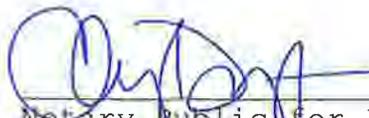
15 I declare under penalty of perjury of the laws of
16 the state of Idaho that the foregoing pre-filed direct
17 testimony is true and correct to the best of my information
18 and belief.

19 DATED this 15th day of March 2021.

20
21 
22 _____
23 Pawel P. Goralski

24 SUBSCRIBED AND SWORN to before me this 15th day of
25 March 2021.



28 
29 _____
30 Notary Public for Idaho
Residing at Nampa, Idaho
My commission expires 9/10/2026

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-03**

IDAHO POWER COMPANY

GORALSKI, DI

TESTIMONY

EXHIBIT 1

	A	B	C	D	E	F	G	H	I	J
1	Fixed Cost Adjustment Monthly Report		January	February	March	April	May	June	July	August
2	for the year ended December 31, 2020									
3										
4	Residential FCA:									
5	Beginning Balance	\$	0.00	6,986,395.00	13,069,441.00	17,569,077.00	21,588,886.00	23,961,182.00	24,907,078.00	26,515,800.00
6	Amount Deferred	\$	6,986,395.00	6,083,046.00	4,499,636.00	4,019,809.00	2,372,296.00	945,896.00	1,608,722.00	408,467.00
7	Ending Balance	\$	6,986,395.00	13,069,441.00	17,569,077.00	21,588,886.00	23,961,182.00	24,907,078.00	26,515,800.00	26,924,267.00
8										
9	Interest:									
10	Accrual thru Prior Month	\$	-	-	11,646.32	33,433.08	62,720.73	98,709.40	138,652.69	180,172.79
11	Monthly Interest Rate (Annual 2%)		0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%
12	Monthly Interest Inc/(Exp)	\$	-	11,646.32	21,786.76	29,287.65	35,988.67	39,943.29	41,520.10	44,201.84
13	Interest Accrued to date	\$	-	11,646.32	33,433.08	62,720.73	98,709.40	138,652.69	180,172.79	224,374.63
14										
15	Total Residential FCA:		6,986,395.00	13,081,087.32	17,602,510.08	21,651,606.73	24,059,891.40	25,045,730.69	26,695,972.79	27,148,641.63
16										
17										
18	Small General Service FCA:									
19	Beginning Balance	\$	-	189,575.00	339,995.00	482,965.00	688,889.00	835,709.00	971,848.00	1,122,286.00
20	Amount Deferred	\$	189,575.00	150,420.00	142,970.00	205,924.00	146,820.00	136,139.00	150,438.00	79,794.00
21	Ending Balance	\$	189,575.00	339,995.00	482,965.00	688,889.00	835,709.00	971,848.00	1,122,286.00	1,202,080.00
22										
23	Interest:									
24	Accrual thru Prior Month	\$	-	-	316.02	882.79	1,687.89	2,836.27	4,229.40	5,849.47
25	Monthly Interest Rate (Annual 2%)		0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%
26	Monthly Interest Inc/(Exp)	\$	-	316.02	566.77	805.10	1,148.38	1,393.13	1,620.07	1,870.85
27	Interest Accrued to date	\$	-	316.02	882.79	1,687.89	2,836.27	4,229.40	5,849.47	7,720.32
28										
29	Total Small General Service FCA:		189,575.00	340,311.02	483,847.79	690,576.89	838,545.27	976,077.40	1,128,135.47	1,209,800.32
30										
31										
32	Total Fixed Cost Adjustment	\$	7,175,970.00	13,421,398.34	18,086,357.87	22,342,183.62	24,898,436.67	26,021,808.09	27,824,108.26	28,358,441.95
35										
36										
37	Entries:									
38	599 X00001 999 182302 (254302)		7,175,970.00	6,245,428.34	4,664,959.53	4,255,825.75	2,556,253.05	1,123,371.42	1,802,300.17	534,333.69
39	599 X00001 999 440301		(6,986,395.00)	(6,083,046.00)	(4,499,636.00)	(4,019,809.00)	(2,372,296.00)	(945,896.00)	(1,608,722.00)	(408,467.00)
40	599 X00001 999 442301		(189,575.00)	(150,420.00)	(142,970.00)	(205,924.00)	(146,820.00)	(136,139.00)	(150,438.00)	(79,794.00)
41	599 X00001 999 421006 (431013)		-	(11,962.34)	(22,353.53)	(30,092.75)	(37,137.05)	(41,336.42)	(43,140.17)	(46,072.69)

	A	B	K	L	M	N	O	P
1	Fixed Cost Adjustment Monthly Report		September	October	November	December	Adjustment	Current Year Total
2	for the year ended December 31, 2020							
3								
4	Residential FCA:							
5	Beginning Balance	\$	26,924,267.00	27,331,973.00	30,139,457.00	32,870,894.00	35,971,374.00	
6	Amount Deferred	\$	407,706.00	2,807,484.00	2,731,437.00	3,100,480.00	164,462.00	36,135,836.00
7	Ending Balance	\$	27,331,973.00	30,139,457.00	32,870,894.00	35,971,374.00	36,135,836.00	36,135,836.00
8								
9	Interest:							
10	Accrual thru Prior Month	\$	224,374.63	269,257.38	314,819.78	365,062.25	-	
11	Monthly Interest Rate (Annual 2%)		0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	
12	Monthly Interest Inc/(Exp)	\$	44,882.75	45,562.40	50,242.47	54,795.78	-	419,858.03
13	Interest Accrued to date	\$	269,257.38	314,819.78	365,062.25	419,858.03	-	419,858.03
14								
15	Total Residential FCA:		27,601,230.38	30,454,276.78	33,235,956.25	36,391,232.03	36,135,836.00	36,555,694.03
16								
17								
18	Small General Service FCA:							
19	Beginning Balance	\$	1,202,080.00	1,276,864.00	1,395,251.00	1,470,659.00	1,582,600.00	
20	Amount Deferred	\$	74,784.00	118,387.00	75,408.00	111,941.00	3,463.00	1,586,063.00
21	Ending Balance	\$	1,276,864.00	1,395,251.00	1,470,659.00	1,582,600.00	1,586,063.00	1,586,063.00
22								
23	Interest:							
24	Accrual thru Prior Month	\$	7,720.32	9,724.19	11,852.72	14,178.60	-	
25	Monthly Interest Rate (Annual 2%)		0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	
26	Monthly Interest Inc/(Exp)	\$	2,003.87	2,128.53	2,325.88	2,451.59	-	16,630.19
27	Interest Accrued to date	\$	9,724.19	11,852.72	14,178.60	16,630.19	-	16,630.19
28								
29	Total Small General Service FCA:		1,286,588.19	1,407,103.72	1,484,837.60	1,599,230.19	1,586,063.00	1,602,693.19
30								
31								
32	Total Fixed Cost Adjustment	\$	28,887,818.57	31,861,380.50	34,720,793.85	37,990,462.22	37,721,899.00	38,158,387.22
35								
36								
37	Entries:							
38	599 X00001 999 182302 (254302)		529,376.62	2,973,561.93	2,859,413.35	3,269,668.37	167,925.00	38,158,387.22
39	599 X00001 999 440301		(407,706.00)	(2,807,484.00)	(2,731,437.00)	(3,100,480.00)	(164,462.00)	(36,135,836.00)
40	599 X00001 999 442301		(74,784.00)	(118,387.00)	(75,408.00)	(111,941.00)	(3,463.00)	(1,586,063.00)
41	599 X00001 999 421006 (431013)		(46,886.62)	(47,690.93)	(52,568.35)	(57,247.37)	-	(436,488.22)

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-03**

IDAHO POWER COMPANY

GORALSKI, DI

TESTIMONY

EXHIBIT 2

2020 Annual Fixed Cost Adjustment Deferral Calculation

Residential

Customer Count	470,548.90
FCC	<u>\$650.63</u>
Authorized Recovery Amount	\$306,153,233

Billed Sales in kWh	5,232,692,498
FCE	<u>\$0.051602</u>
Actual Recovery Amount	\$270,017,398

Residential FCA \$36,135,835

Small General Service

Customer Count	29,208.00
FCC	<u>\$360.57</u>
Authorized Recovery Amount	\$10,531,529

Billed Sales in kWh	130,337,688
FCE	<u>\$0.068633</u>
Actual Recovery Amount	\$8,945,467

Small General Service FCA \$1,586,063

Total FCA \$37,721,898

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-03**

IDAHO POWER COMPANY

GORALSKI, DI

TESTIMONY

EXHIBIT 3

2020 Monthly Customer Count and Billed Sales

Residential Customer Classes

<u>Month</u>	<u>Customer Count</u>	<u>Billed Sales</u>
January	464,734.44	541,604,613
February	465,079.27	495,361,159
March	466,254.15	443,339,789
April	467,584.96	382,277,791
May	468,441.19	332,390,749
June	470,034.63	362,287,213
July	470,843.94	416,033,165
August	472,104.87	523,496,886
September	473,264.12	465,939,779
October	474,752.61	341,457,607
November	476,091.81	393,775,908
December	477,400.84	534,727,839
	Annual Average Customer Count	Total Annual Billed Sales
	470,548.90	5,232,692,498

Small General Service Customer Classes

<u>Month</u>	<u>Customer Count</u>	<u>Billed Sales</u>
January	29,013.77	12,933,325
February	28,854.27	12,218,693
March	29,182.35	11,088,983
April	28,968.39	9,156,097
May	29,033.32	8,326,702
June	29,531.62	9,335,939
July	29,134.91	10,404,376
August	29,323.53	12,254,381
September	29,297.54	11,814,181
October	29,359.25	9,842,242
November	29,354.01	10,308,449
December	29,443.06	12,654,320
	Annual Average Customer Count	Total Annual Billed Sales
	29,208.00	130,337,688

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-03**

IDAHO POWER COMPANY

GORALSKI, DI

TESTIMONY

EXHIBIT 4

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Fixed Cost Adjustment Monthly Report		January	February	March	April	May	June	July	August	September	October	November
2	for the year ended December 31, 2020												
3													
4	Residential FCA:												
5	Beginning Balance	\$	0.00	6,986,395.00	13,069,441.00	17,569,077.00	21,588,886.00	23,961,182.00	24,907,078.00	26,515,800.00	26,924,267.00	27,331,973.00	30,139,457.00
6	Amount Deferred	\$	6,986,395.00	6,083,046.00	4,499,636.00	4,019,809.00	2,372,296.00	945,896.00	1,608,722.00	408,467.00	407,706.00	2,807,484.00	2,731,437.00
7	Ending Balance	\$	6,986,395.00	13,069,441.00	17,569,077.00	21,588,886.00	23,961,182.00	24,907,078.00	26,515,800.00	26,924,267.00	27,331,973.00	30,139,457.00	32,870,894.00
8													
9	Interest:												
10	Accrual thru Prior Month	\$	-	-	11,646.32	33,433.08	62,720.73	98,709.40	138,652.69	180,172.79	224,374.63	269,257.38	314,819.78
11	Monthly Interest Rate (Annual 2% for 2020, 1% for 2021)		0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%
12	Monthly Interest Inc/(Exp)	\$	-	11,646.32	21,786.76	29,287.65	35,988.67	39,943.29	41,520.10	44,201.84	44,882.75	45,562.40	50,242.47
13	Interest Accrued to date	\$	-	11,646.32	33,433.08	62,720.73	98,709.40	138,652.69	180,172.79	224,374.63	269,257.38	314,819.78	365,062.25
14													
15	Total Residential FCA:		6,986,395.00	13,081,087.32	17,602,510.08	21,651,606.73	24,059,891.40	25,045,730.69	26,695,972.79	27,148,641.63	27,601,230.38	30,454,276.78	33,235,956.25
16													
17													
18	Small General Service FCA:												
19	Beginning Balance	\$	-	189,575.00	339,995.00	482,965.00	688,889.00	835,709.00	971,848.00	1,122,286.00	1,202,080.00	1,276,864.00	1,395,251.00
20	Amount Deferred	\$	189,575.00	150,420.00	142,970.00	205,924.00	146,820.00	136,139.00	150,438.00	79,794.00	74,784.00	118,387.00	75,408.00
21	Ending Balance	\$	189,575.00	339,995.00	482,965.00	688,889.00	835,709.00	971,848.00	1,122,286.00	1,202,080.00	1,276,864.00	1,395,251.00	1,470,659.00
22													
23	Interest:												
24	Accrual thru Prior Month	\$	-	-	316.02	882.79	1,687.89	2,836.27	4,229.40	5,849.47	7,720.32	9,724.19	11,852.72
25	Monthly Interest Rate (Annual 2% for 2020, 1% for 2021)		0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%	0.1667%
26	Monthly Interest Inc/(Exp)	\$	-	316.02	566.77	805.10	1,148.38	1,393.13	1,620.07	1,870.85	2,003.87	2,128.53	2,325.88
27	Interest Accrued to date	\$	-	316.02	882.79	1,687.89	2,836.27	4,229.40	5,849.47	7,720.32	9,724.19	11,852.72	14,178.60
28													
29	Total Small General Service FCA:		189,575.00	340,311.02	483,847.79	690,576.89	838,545.27	976,077.40	1,128,135.47	1,209,800.32	1,286,588.19	1,407,103.72	1,484,837.60
30													
31													
32	Total Fixed Cost Adjustment	\$	7,175,970.00	13,421,398.34	18,086,357.87	22,342,183.62	24,898,436.67	26,021,808.09	27,824,108.26	28,358,441.95	28,887,818.57	31,861,380.50	34,720,793.85
33													
34													
35													
36													
37	Entries:												
38	599 X00001 999 182302 (254302)		7,175,970.00	6,245,428.34	4,664,959.53	4,255,825.75	2,556,253.05	1,123,371.42	1,802,300.17	534,333.69	529,376.62	2,973,561.93	2,859,413.35
39	599 X00001 999 440301		(6,986,395.00)	(6,083,046.00)	(4,499,636.00)	(4,019,809.00)	(2,372,296.00)	(945,896.00)	(1,608,722.00)	(408,467.00)	(407,706.00)	(2,807,484.00)	(2,731,437.00)
40	599 X00001 999 442301		(189,575.00)	(150,420.00)	(142,970.00)	(205,924.00)	(146,820.00)	(136,139.00)	(150,438.00)	(79,794.00)	(74,784.00)	(118,387.00)	(75,408.00)
41	599 X00001 999 421006 (431013)		-	(11,962.34)	(22,353.53)	(30,092.75)	(37,137.05)	(41,336.42)	(43,140.17)	(46,072.69)	(46,886.62)	(47,690.93)	(52,568.35)

	A	B	N	O	P	Q	R	S	T	U	V	W
1	Fixed Cost Adjustment Monthly Report		December	Adjustment	Current Year Total	January	February	March	April	May		Grand Total
2	for the year ended December 31, 2020											
3												
4	Residential FCA:											
5	Beginning Balance	\$	32,870,894.00	35,971,374.00		36,135,836.00	36,135,836.00	36,135,836.00	36,135,836.00	36,135,836.00		
6	Amount Deferred	\$	3,100,480.00	164,462.00	36,135,836.00	-	-	-	-	-		36,135,836.00
7	Ending Balance	\$	35,971,374.00	36,135,836.00	36,135,836.00	36,135,836.00	36,135,836.00	36,135,836.00	36,135,836.00	36,135,836.00		
8												
9	Interest:											
10	Accrual thru Prior Month	\$	365,062.25	-		419,858.03	449,959.18	480,060.33	510,161.48	540,262.63		
11	Monthly Interest Rate (Annual 2% for 2020, 1% for 2021)		0.1667%	0.1667%		0.0833%	0.0833%	0.0833%	0.0833%	0.0833%		
12	Monthly Interest Inc/(Exp)	\$	54,795.78	-	419,858.03	30,101.15	30,101.15	30,101.15	30,101.15	30,101.15		570,363.78
13	Interest Accrued to date	\$	419,858.03	-	419,858.03	449,959.18	480,060.33	510,161.48	540,262.63	570,363.78		
14												
15	Total Residential FCA:		36,391,232.03	36,135,836.00	36,555,694.03	36,585,795.18	36,615,896.33	36,645,997.48	36,676,098.63	36,706,199.78		36,706,199.78
16												
17												
18	Small General Service FCA:											
19	Beginning Balance	\$	1,470,659.00	1,582,600.00		1,586,063.00	1,586,063.00	1,586,063.00	1,586,063.00	1,586,063.00		
20	Amount Deferred	\$	111,941.00	3,463.00	1,586,063.00	-	-	-	-	-		1,586,063.00
21	Ending Balance	\$	1,582,600.00	1,586,063.00	1,586,063.00	1,586,063.00	1,586,063.00	1,586,063.00	1,586,063.00	1,586,063.00		
22												
23	Interest:											
24	Accrual thru Prior Month	\$	14,178.60	-		16,630.19	17,951.38	19,272.57	20,593.76	21,914.95		
25	Monthly Interest Rate (Annual 2% for 2020, 1% for 2021)		0.1667%	0.1667%		0.0833%	0.0833%	0.0833%	0.0833%	0.0833%		
26	Monthly Interest Inc/(Exp)	\$	2,451.59	-	16,630.19	1,321.19	1,321.19	1,321.19	1,321.19	1,321.19		23,236.14
27	Interest Accrued to date	\$	16,630.19	-	16,630.19	17,951.38	19,272.57	20,593.76	21,914.95	23,236.14		
28												
29	Total Small General Service FCA:		1,599,230.19	1,586,063.00	1,602,693.19	1,604,014.38	1,605,335.57	1,606,656.76	1,607,977.95	1,609,299.14		1,609,299.14
30												
31												
32	Total Fixed Cost Adjustment	\$	37,990,462.22	37,721,899.00	38,158,387.22	38,189,809.56	38,221,231.90	38,252,654.24	38,284,076.58	38,315,498.92		38,315,498.92
35												
36												
37	Entries:											
38	599 X00001 999 182302 (254302)		3,269,668.37	167,925.00	38,158,387.22	31,422.34	31,422.34	31,422.34	31,422.34	31,422.34		
39	599 X00001 999 440301		(3,100,480.00)	(164,462.00)	(36,135,836.00)	-	-	-	-	-		
40	599 X00001 999 442301		(111,941.00)	(3,463.00)	(1,586,063.00)	-	-	-	-	-		
41	599 X00001 999 421006 (431013)		(57,247.37)	-	(436,488.22)	(31,422.34)	(31,422.34)	(31,422.34)	(31,422.34)	(31,422.34)		

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-03**

IDAHO POWER COMPANY

GORALSKI, DI

TESTIMONY

EXHIBIT 5

FCA Rate Determination

Combined Option - Different Rates	Target FCA Dollars	Normalized Energy	Base Revenue	FCA Dollars Collected	Over/Under	Percent Diff from Base	Rate
Residential	\$36,706,199.78	5,294,175,386	\$478,513,325	\$37,102,739.82	\$396,540.04	7.75%	0.007008
Small General Service	\$1,609,299.14	136,816,220	\$15,640,931	\$1,212,759.10	(\$396,540.04)	7.75%	0.008864
Combined	\$38,315,498.92	5,430,991,606	\$494,154,256	\$38,315,498.92	\$0.00	7.75%	

Existing FCA Balance per Order No. 34685	\$35,498,856
Proposed 2020 FCA Deferral Balance	\$38,315,499
FCA Annual Increase (Decrease)	\$2,816,643

Forecasted Base Rate Revenue \$494,154,256

Annual FCA Difference Percentage of Base Rate Revenue 0.57%

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-03**

IDAHO POWER COMPANY

GORALSKI, DI

TESTIMONY

EXHIBIT 6

**Idaho Power Company
Calculation of Revenue Impact
State of Idaho
Fixed Cost Adjustment
Filed March 15, 2021**

**Summary of Revenue Impact
Current Billed Revenue to Proposed Billed Revenue**

Line No	Tariff Description	Rate Sch. No.	Average Number of Customers ⁽¹⁾	Normalized Energy (kWh) ⁽¹⁾	Current Billed Revenue	Mills Per kWh	Total Adjustments to Billed Revenue	Proposed Total Billed Revenue	Mills Per kWh	Percent Change Billed to Billed Revenue
<u>Uniform Tariff Rates:</u>										
1	Residential Service	1	473,382	5,218,521,002	\$531,364,631	101.82	\$2,014,349	\$533,378,980	102.21	0.38%
2	Master Metered Mobile Home Park	3	21	4,323,473	\$420,778	97.32	\$1,669	\$422,447	97.71	0.40%
3	Residential Service Energy Watch	4	0	0	\$0	0.00	\$0	\$0	0.00	0.00%
4	Residential Service Time-of-Day	5	1,031	17,728,975	\$1,741,847	98.25	\$6,843	\$1,748,690	98.63	0.39%
5	Residential Service On-Site Generation	6	9,689	53,601,936	\$5,784,379	107.91	\$20,690	\$5,805,069	108.30	0.36%
			484,123	5,294,175,386	\$539,311,635	101.87	\$2,043,552	\$541,355,187	102.25	0.38%
6	Small General Service	7	29,751	136,618,976	\$17,425,852	127.55	\$65,987	\$17,491,839	128.03	0.38%
7	Small General Service On-Site Generation	8	69	197,244	\$26,936	136.56	\$95	\$27,031	137.05	0.35%
			29,820	136,816,220	\$17,452,788	127.56	\$66,082	\$17,518,870	128.05	0.38%
8	Total Residential and Small General Service		513,943	5,430,991,606	\$556,764,423	102.52	\$2,109,634	\$558,874,057	102.90	0.38%

(1) June 01, 2021 - May 31, 2022 Forecasted Test Year (Spring 2021 Forecast)